

2023  pennsylvania
HUMAN RELATIONS COMMISSION

HOUSING EQUALITY CONFERENCE

Putting the ACT in Fair Housing

HOUSING HUDDLE

Presenters:

Abraham Reyes Pardo: Housing Director, Urban League of Philadelphia – Homebuying Program

Martin Cunningham, Esq.: Interim Chief Counsel, PHRC – Prompt Judicial Action

Rachel Wentworth: Executive Director, Housing Equality Center of PA – Settlement: A Case Study

Chad Dion Lassiter, MSW: Executive Director, PHRC - Discrimination, Human Brokenness & The Beloved Community

Chad Frey: CEO, Neighboring Group - Origins, status, and goals of the Neighboring Group's initiatives

Adrian Garcia: Director Fair Housing & Commercial Property, PHRC - State of Fair Housing in the Commonwealth

Urban League of Philadelphia – Homebuying Program

Abraham Reyes Pardo

Housing Director

PHILLY 5000: Welcoming Thousands of Black and Brown families to Homeownership

PHILLY
5000

WELCOMING
THOUSANDS
OF **BLACK** & **BROWN**
FAMILIES TO
HOMEOWNERSHIP

PHILLY 5000: Welcoming Thousands of Black and Brown families to Homeownership

- December 7, 2021- Office of Fair Housing and Equal Opportunity memo:

" Because of systemic discrimination in this nation's housing and credit markets, including by the federal government itself, homeownership rates are much lower for African Americans and other people of color than for their White counterparts. This was true in the 1960s before the Fair Housing Act became law, and it is even truer today—the Black-White homeownership gap is wider today than it was in 1968 when the Fair Housing Act became law"

- When amending ECOA in 1976, Congress recognized that Special Purpose Credit Programs may be established to help remedy longstanding discrimination in credit markets and that such remedial programs do not themselves constitute unlawful discrimination. But very few of these Programs have been established to create home ownership opportunities for affected communities.

PHILLY 5000: Welcoming Thousands of Black and Brown families to Homeownership

- Wells Fargo's Wealth Opportunity Restored Through Homeownership (WORTH) initiative, is a \$60 million national effort to address systemic barriers to homeownership for people of color. Philadelphia is one of eight markets across the U.S. to receive a WORTH grant, which aims to create 5,000 new homeowners of color in the city by the end of 2026
- Wells Fargo will also develop a Special Purpose Credit Program (SPCP) to help minority homeowners, whose mortgages are currently serviced by Wells Fargo, refinance those mortgages. Initially, through the program, Wells Fargo will identify eligible Black homeowners who could benefit from a refinance product. Wells Fargo will commit \$150 million to lower mortgage rates and reduce the refinancing costs to help these homeowners further benefit from refinancing.

PHILLY 5000: Welcoming Thousands of Black and Brown families to Homeownership

- Goal: To create 5,000 new BIPOC homeowners by 2025
- \$ 7.5 million commitment from Wells Fargo Foundation
- Intention to target prospective Black and brown homeowners
- HH incomes below 150% AMI (moderate), 30% with incomes below 80% AMI (low)
- Comprehensive approach including:
 - Strengthen the local network of HUD-certified housing counselors.
 - Provide education on home buyer programs to BIPOC realtors and advocacy support to increase the number of BIPOC realtors & appraisers and help them serve more BIPOC buyers.
 - Assistance to resolve issues related to tangled titles.
 - Provide direct financial support, \$ 3 million distributed among participants
 - Seed an Affordable Housing Development Fund for acquisition/rehab/sale.
 - Minority Homeownership Initiative (MHI) pilot mortgage program to increase minority homeownership in targeted census tract areas in the City of Philadelphia/Philadelphia County.
 - Robust bilingual Marketing Campaign

PHILLY 5000: Welcoming Thousands of Black and Brown families to Homeownership

A year in numbers

- 25,000 families reached through diverse efforts.
- 2,600 families attended homebuying literacy sessions.
- 720 Black and Brown families achieved homeownership.
- 352 grants processed.

After WORTH

- Fannie Mae and Freddie Mac equitable housing finance plans expand in the Philadelphia Market
- Convergence MBA initiative

PHILLY 5000: Welcoming Thousands of Black and Brown families to Homeownership



**PHILLY
5000**

**WELCOMING
THOUSANDS
OF BLACK & BROWN
FAMILIES TO
HOMEOWNERSHIP**

Meet a housing counselor.
Your smart next step to homeownership.



**PHILLY
5000**

**WELCOMING
THOUSANDS
OF BLACK & BROWN
FAMILIES TO
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Meet a housing counselor.
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PHILLY5000.ORG

PHILLY 5000: Welcoming Thousands of Black and Brown families to Homeownership

"I am truly and sincerely grateful to everyone for your excellent work in bringing my dream of HOME ownership to completion. It seemed 'IMPOSSIBLE' at that time, but I guess it depends on us how to put the word, I made it 'I'M POSSIBLE'.

"Thank you for your help! There is not enough words to thank you & your team to accomplish self worth, dignity, respect, moral support & wealth within a community of highly respected individuals"



**PENNSYLVANIA HUMAN
RELATIONS COMMISSION
KEEPING A LEVEL PLAYING
FIELD IN HOUSING CASES**



**Martin Cunningham,
Interim Chief Counsel**



What can the PA Human Relations
Commission Do?

**Preventing Immediate & Irreparable
Harm**

THE POWER OF THE PHRA

“If the Commission concludes, at any time following the filing of a complaint under this act, that prompt judicial action is necessary to prevent immediate and irreparable harm, the Commission may commence an action in Commonwealth Court or the appropriate court of common pleas, and that court may grant an appropriate preliminary or special injunction pending final disposition of the complaint.” 43 P.S. §959.2 (emphasis added)

What is irreparable harm?

Irreparable harm is a legal term that describes an injury so severe in nature that it is impossible to calculate the extent by awarding money. (Black's Law Dictionary, 2nd Edition).

Examples:

- A home is about to be sold to another buyer; eviction (property is unique)
- Protect someone against litigation
- Prevent serious physical or emotional harm

PRELIMINARY INJUNCTION STANDARD

A court may grant a preliminary injunction only where the moving party establishes the following familiar elements: (1) the relief is necessary to prevent immediate and irreparable harm which cannot be compensated by damages; (2) greater injury will occur from refusing the injunction than from granting it; (3) the injunction will restore the parties to the status quo as it existed immediately before the alleged wrongful conduct; (4) the alleged wrong is manifest, and the injunction is reasonably suited to abate it; and (5) the plaintiff's right to relief is clear. Adler v. Township of Bristol, 83 Pa. Commonwealth Ct. 72, 475 A.2d 1361 (1984).

EASY RIGHT?

Biggest challenge faced by housing advocates or PHRC when looking for injunctive relief is:

1. Establishing irreparable harm
2. Right to relief being clear. There needs to be enough factual evidence to be able to convince the Court that you are likely to prevail on the merits.
3. Being able to act quickly enough in the right forum, processes vary greatly both in complexity and speed of action

STRATEGIES & TIPS

1. Involve attorney as soon as you become aware of a case meeting the criteria
2. Speed up investigation-must gather facts quickly
3. Intervene where possible BEFORE the case has gone too far down the path of harm (e.g. at Notice to Quit stage v. eviction stage) and use powers of persuasion
4. Request a voluntary stay letter from PHRC legal department
5. Attorneys may need to get creative

What a Complainant can beyond the PHRC Complaint?

Keep on paying their rent if they want to remain in the housing. Generally speaking, as long as the Court case is active and a tenant is paying the Court order rent, eviction should not take place.

STORIES OF SUCCESS

RETALIATORY COMPLAINTS

Protected activity on Facebook led to employee being sued for defamation. Investigation completed on site in a Supervisor+ Investigator Team.

PHRC sought injunction.

Obtained stay so PHRC could litigate and ultimately settle the case.



STORIES OF SUCCESS

NO TIME FOR HORSING AROUND



PHRC
Attorneys
travel up
north to a
Magistrate
Hearing to
prevent ESA
Removal.



Questions?



**PHRC
Housing
Equality
Conference:
Recent Disparate
Impact Cases
Under the Fair
Housing Act**

June 21, 2023





Rachel Wentworth
Executive Director
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Disparate Impact

Facially neutral policies or practices can be discriminatory even if the provider had

NO INTENT to discriminate!

Housing providers may be liable under the Fair Housing Act if a policy or practice results in disproportionate harm to members of protected classes as compared to the general population.



Aspen Grove

Aspen Grove is an apartment complex in Bucks County. A family had their application for tenancy rejected by Aspen Grove due to the complex's policy of requiring that all adults have a social security number.

The husband had a social security number, an outstanding credit score, and an income which qualified the family to rent the apartment. The wife had lawfully arrived from Colombia and was lawfully residing in the United States but was not yet a citizen and did not yet have a social security number.



Aspen Grove

The requirement of a social security number for all adult applicants has an unlawful discriminatory impact based on national origin and race, in that it is effectively a policy that excludes people who have lawfully immigrated to the U.S. from another country but have not yet received a social security number.

HECP conducted an investigation of Residential Management, Inc. and found additional policies that had a disparate impact on protected classes at Aspen Grove and additional complexes in NJ and FL.



Aspen Grove

Residential Management had a blanket ban on rentals to persons who have any type of criminal background. This policy did not contain a process for an individualized assessment to determine whether or not an applicant posed a direct threat to other persons or property, or any other less discriminatory alternative. Due to racial inequities in the criminal justice system, this policy has an unlawful discriminatory impact based on race and national origin.

Residential Management also had occupancy standards at some complexes which had an unlawful and discriminatory impact on families which children. The Aspen Grove policy limited occupancy of a two-bedroom apartment to three people and occupancy of a three-bedroom apartment by four people. These stringent limitations were not justified by local property maintenance codes and limited the housing opportunities available to families.



Aspen Grove

HECP filed a HUD complaint in 2020, which resulted in a September 2022 settlement:

Residential Management paid \$450,000 in damages to the complainants, to HECP to cover a portion of the costs incurred to bring about the agreement and to provide future consumer education regarding the fair housing rights of southeastern Pennsylvania residents, and legal fees.

Residential Management also agreed to adopt revised policies addressing the acceptance of alternative forms of documentation for applicants without social security numbers, a less discriminatory criminal background screening process, and less restrictive, more appropriate occupancy standards.



ProManaged

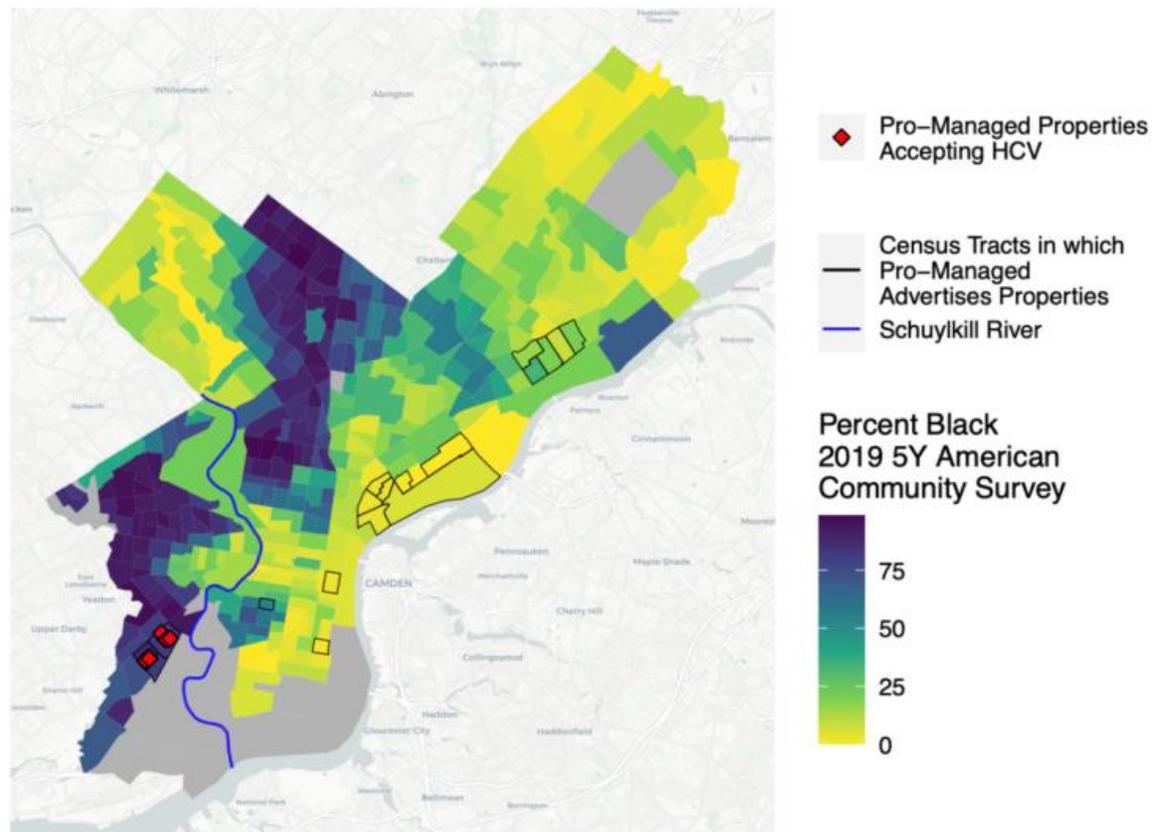
ProManaged Inc. is a Philadelphia landlord and property management company with at least 77 properties.

In Philadelphia, 84 percent of voucher holders are Black, compared to 44 percent of renters in the city as a whole. Meanwhile, only 9 percent of voucher holders are white, compared to 39 percent of renters in the city as a whole.

HECP found that ProManaged refused to rent to voucher holders in the predominately white and integrated neighborhoods where the majority of its rental properties are located.

ProManaged

City of Philadelphia





ProManaged

Most of ProManaged’s rental properties are located in white communities in Northeast Philadelphia, and more than half are located in census tracts that are at least 70 percent white. All of the properties that ProManaged lists as “Section 8 accepted” are in Southwest Philadelphia, located in three census tracts that are 85, 83, and 85 percent Black respectively.

In December 2022, HECP and Public Interest Law Center filed a federal lawsuit, as well as a complaint with the PCHR for violation of Philadelphia’s Fair Practices Ordinance, which prohibits landlords from refusing to rent based on “any lawful source of income, [including]...housing assistance programs.”



ProManaged

December 2022 settlement:

ProManaged paid \$100,000 in damages to HECP and Public Interest Law Center to cover a portion of the costs incurred to bring about the agreement and legal fees.

ProManaged also agreed to advertise that they accept and encourage the use of Housing Choice Vouchers at all of their rental portfolio properties and to adopt written policies regarding compliance with applicable federal and local fair housing laws.



Other Disparate Impact Complaint Examples

- An apartment complex with a policy that all adult renters must qualify independently in order to live at the complex. This policy prevented a family with a stay-at-home mother to a newborn from residing at the complex.
- A management company that had an occupancy policy of allowing only three people to live in a two-bedroom apartment, resulting in the eviction of a couple when their second child was born.
- A municipality with a “crime free” ordinance that resulted in the eviction of a victim of domestic violence when her abuser attacked her in her apartment and her neighbors called the police.



Other Disparate Impact Complaint Examples

- A management company that requires that income come from employment in order to qualify, excluding a single mom that receives child support.
- An insurance company that refuses to provide coverage for houses with flat roofs, excluding older neighborhoods with this style of housing that is predominantly occupied by African American residents.
- A housing program with a strict policy of excluding anyone with a criminal record, resulting in the refusal to serve a woman with a psychiatric disability who had an arrest record for disruptive disability related behaviors, despite the fact that she had received effective treatment and had not reoffended in over a decade.



Aspen Grove Apartments and Residential Management, Inc.

<https://www.equalhousing.org/wp-content/uploads/2022/09/Aspen-Grove-Press-Release.pdf>

ProManaged

<https://pubintl.org/cases-and-projects/large-philadelphia-landlord-sued-under-the-fair-housing-act-for-racial-discrimination-against-housing-choice-voucher-holders/>

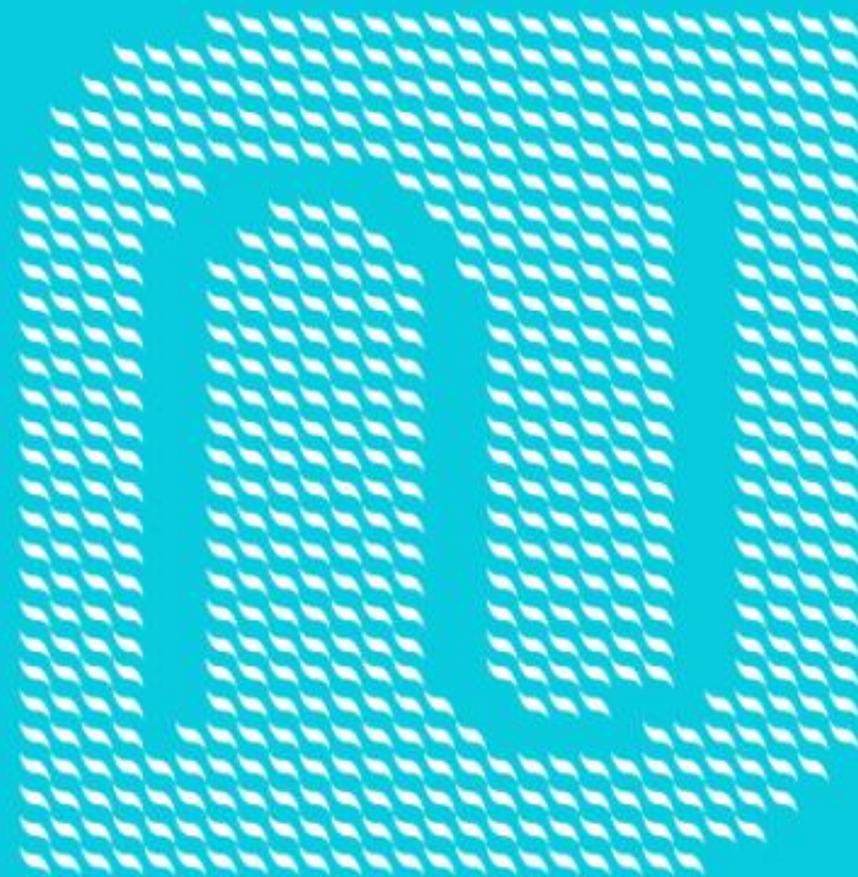
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Discrimination, Human Brokenness & The Beloved Community

Chad Dion Lassiter, MSW: Executive Director
PA Human Relations Commission



Chad Frey, CEO

NEIGHBORING IS A VERB...



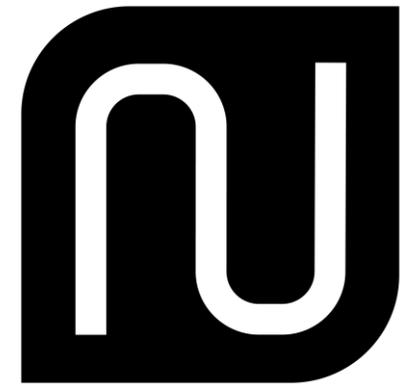
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Individual
Self Discovery & Awareness

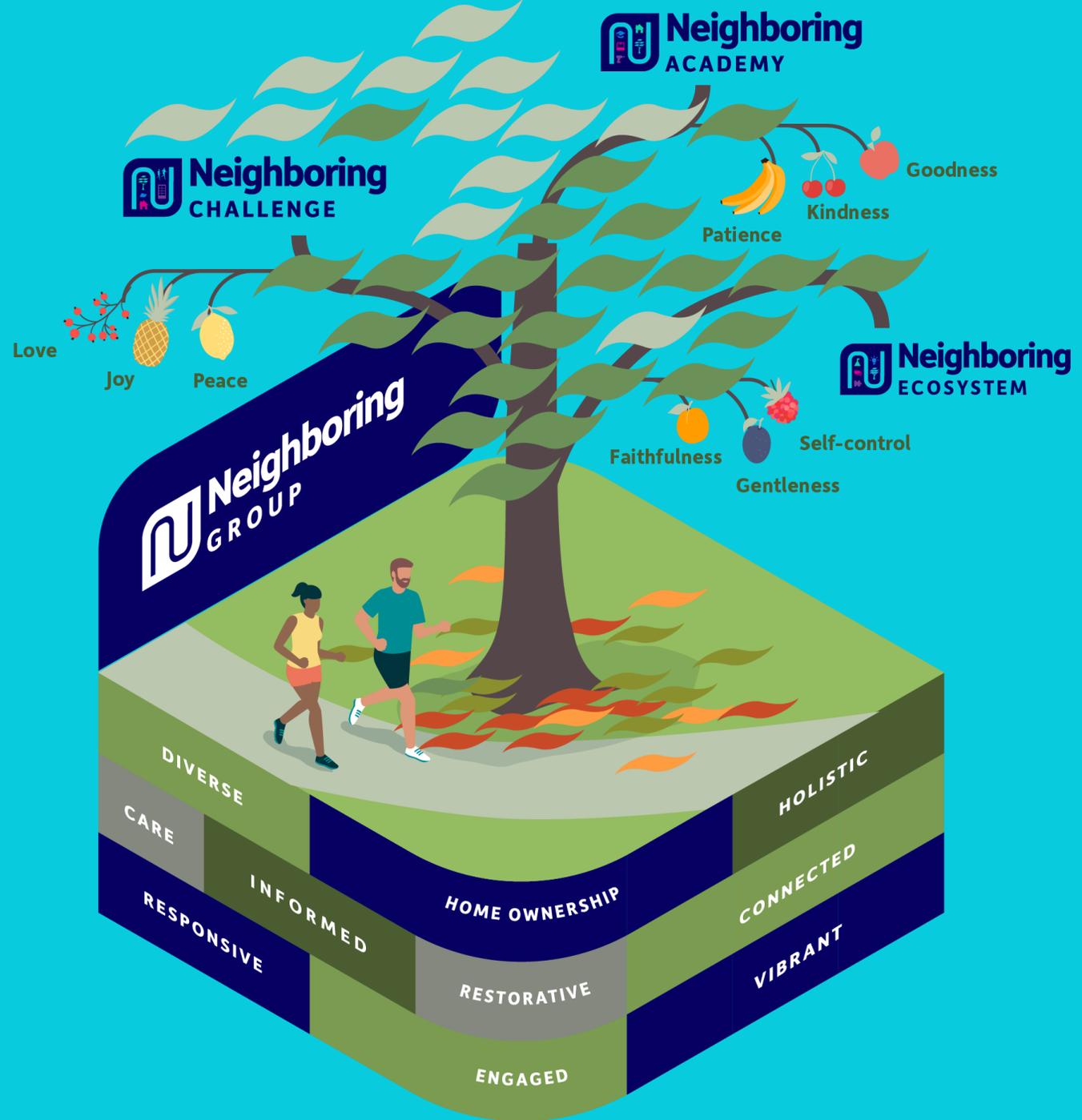
Small Groups
Interpersonal & Teams

Neighborhood
Design & Systems Thinking

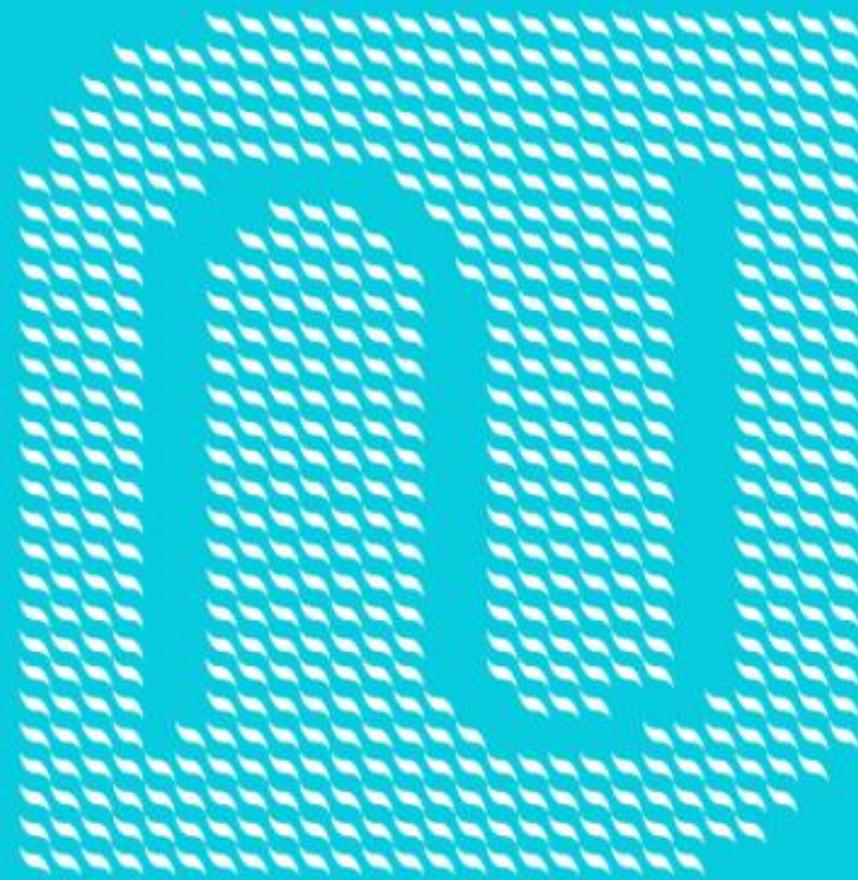
Neighboring
> The Sum of It's Parts

Neighboring
CHALLENGE

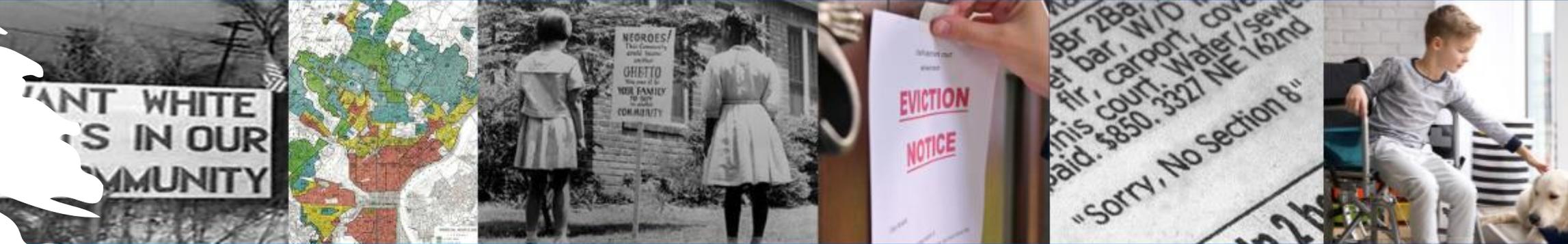
Neighboring
ECOSYSTEM



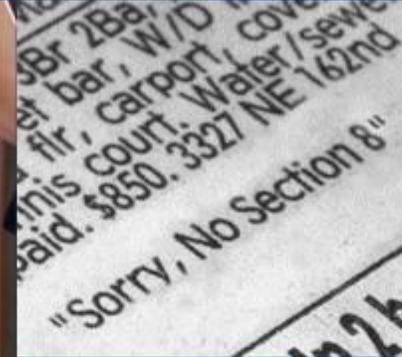
THANK YOU!



Chad Frey, CEO



WANT WHITE
S IN OUR
COMMUNITY



Redlining

Yesterday & Today

**Housing
Policy
Timeline**



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Civil Rights Act of 1866

- The Civil Rights Act of 1866 declared all persons born in the United States to be citizens, "without distinction of race or color, or previous condition of slavery or involuntary servitude."

The Civil Rights Act of 1866 was the nation's first civil rights law and is still cited today in civil rights cases.

Civil Rights Act of 1866

This Act did not prevent:

- Redlining
- Blockbusting
- Steering
- Restrictive Covenants
- Exclusionary Zoning

Housing Policy Timeline

1908: Los Angeles City Council passes first municipal zoning ordinance in the U.S. It lumps laundries, mostly run by Chinese entrepreneurs, into the industrial category to keep the Chinese out of white neighborhoods.

Source: [*Zoning in the United States*](#)

Housing Policy Timeline

1910: Baltimore, Maryland adopts first racial zoning code. Blacks aren't allowed to live in white neighborhoods and vice versa.

Source: "[Color of Law: A Forgotten History of How Our Government Segregated America](#)," Rothstein, 2018

Housing Policy Timeline

1917: *Buchanan v. Warley*: Supreme Court rules that a zoning ordinance in Louisville, Kentucky prohibiting the sale of property in a white neighborhood to black buyer and vice versa is unconstitutional.

Sources:

- (1) [“Color of Law: A Forgotten History of How Our Government Segregated America,”](#)
- (2) [Buchanan v. Warley](#)



WE WANT WHITE
TENANTS IN OUR
WHITE COMMUNITY

Housing Policy Timeline

1924: The U.S. Commerce Department publishes “The Standard State Zoning Enabling Act” (SZA), a model law for U.S. states to promote zoning regulations. Fifty-five thousand copies are sold, and 19 states pass laws based on it.

Sources: (1) [*Color of Law: A Forgotten History of How Our Government Segregated America*](#),
(2) [Standard State Zoning Enabling Act](#);

Housing Policy Timeline

1926: Euclid v. Ambler Realty: The U.S. Supreme Court rules that municipal zoning regulations in Euclid, Ohio are constitutional. Soon after it becomes standard. Many U.S. cities eventually zone 75 percent or more of their residential land for single family homes, including Los Angeles, San Francisco, San Jose, Seattle, Portland, Minneapolis, and Charlotte.

Sources:

[*Segregation by Design: Local Politics and Inequality in American Cities*](#)

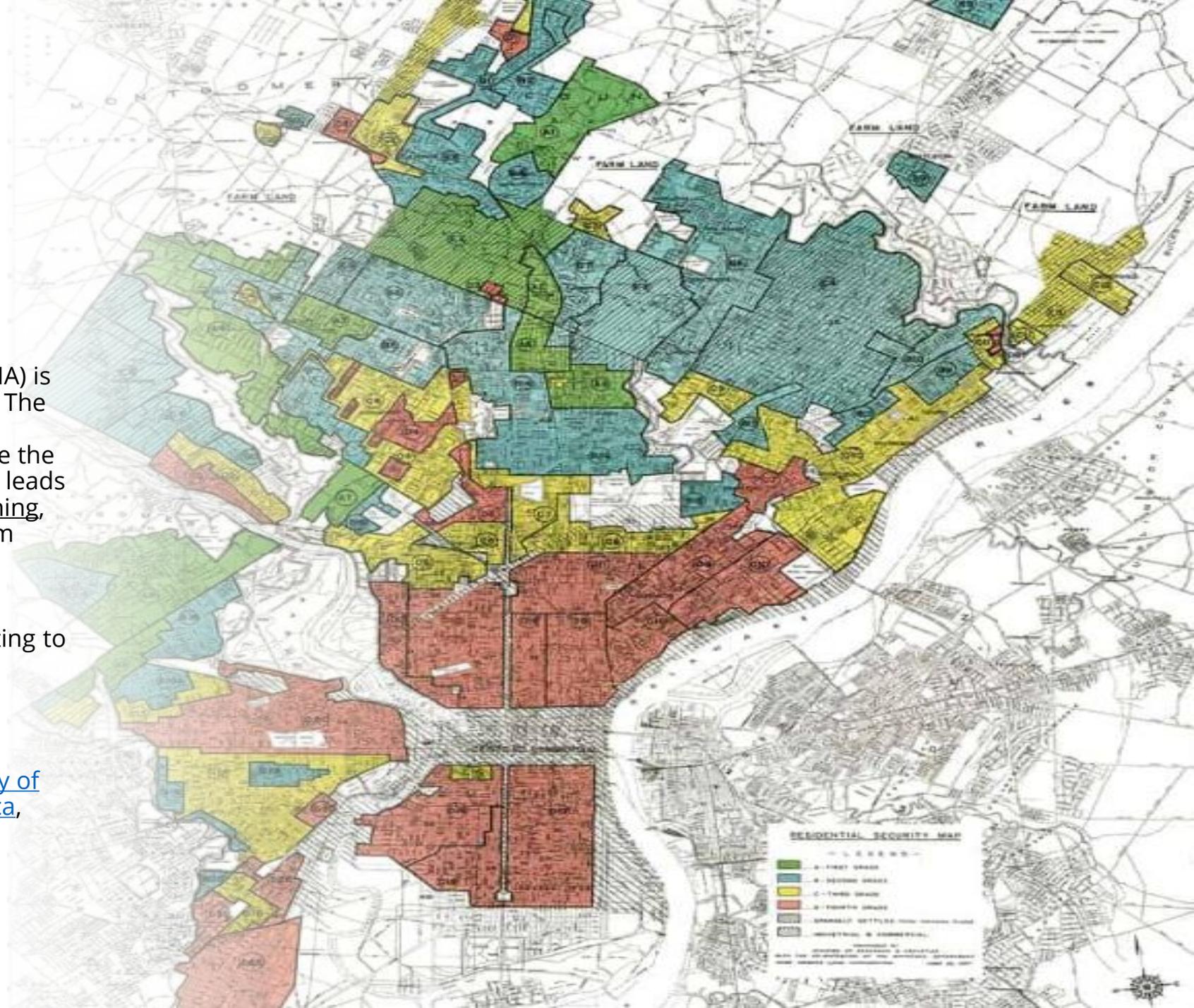
[*Village of Euclid v. Ambler Realty Co.;*](#)

[*Cities Start to Question an American Ideal: A House With a Yard on Every Lot*](#)

Housing Policy Timeline

1934: Federal Housing Administration (FHA) is created to boost home ownership during The Great Depression. The FHA insures home mortgages, but only for houses well inside the boundaries of white neighborhoods. This leads to the industry standard practice of redlining, which systematically withholds credit from homebuyers in black neighborhoods. In addition, the FHA favors loans for new suburban construction over older urban properties, thus simultaneously contributing to urban decay and the growth of white suburbia.

Sources: [Color of Law: A Forgotten History of How Our Government Segregated America](#), Rothstein, 2017



Fair Housing Act, 1968

The act has two main goals

Prevent discrimination

The Fair Housing Act protects people from discrimination when they are renting or buying a home, getting a mortgage, seeking housing assistance, or engaging in other housing-related activities. Additional protections apply to federally-assisted housing, (*HUD, FHEO Housing Discrimination under the Fair Housing Act, www.hud.gov*).

Fair Housing Act, 1968

The act has two main goals

Reverse Housing Segregation

Affirmatively Furthering Fair Housing:

Taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics, (*HUD, AFFH Rule, 2015*).

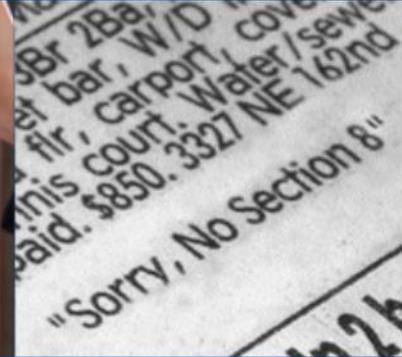
The background is a solid light blue color. It features several overlapping, semi-transparent geometric shapes and wavy lines in various shades of blue, creating a layered, abstract effect. The shapes include trapezoids and curved lines that resemble waves or stylized architectural elements.

Has it worked?

Pennsylvania Fair Housing Month: April 2023



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Redlining

Yesterday & Today

The impact



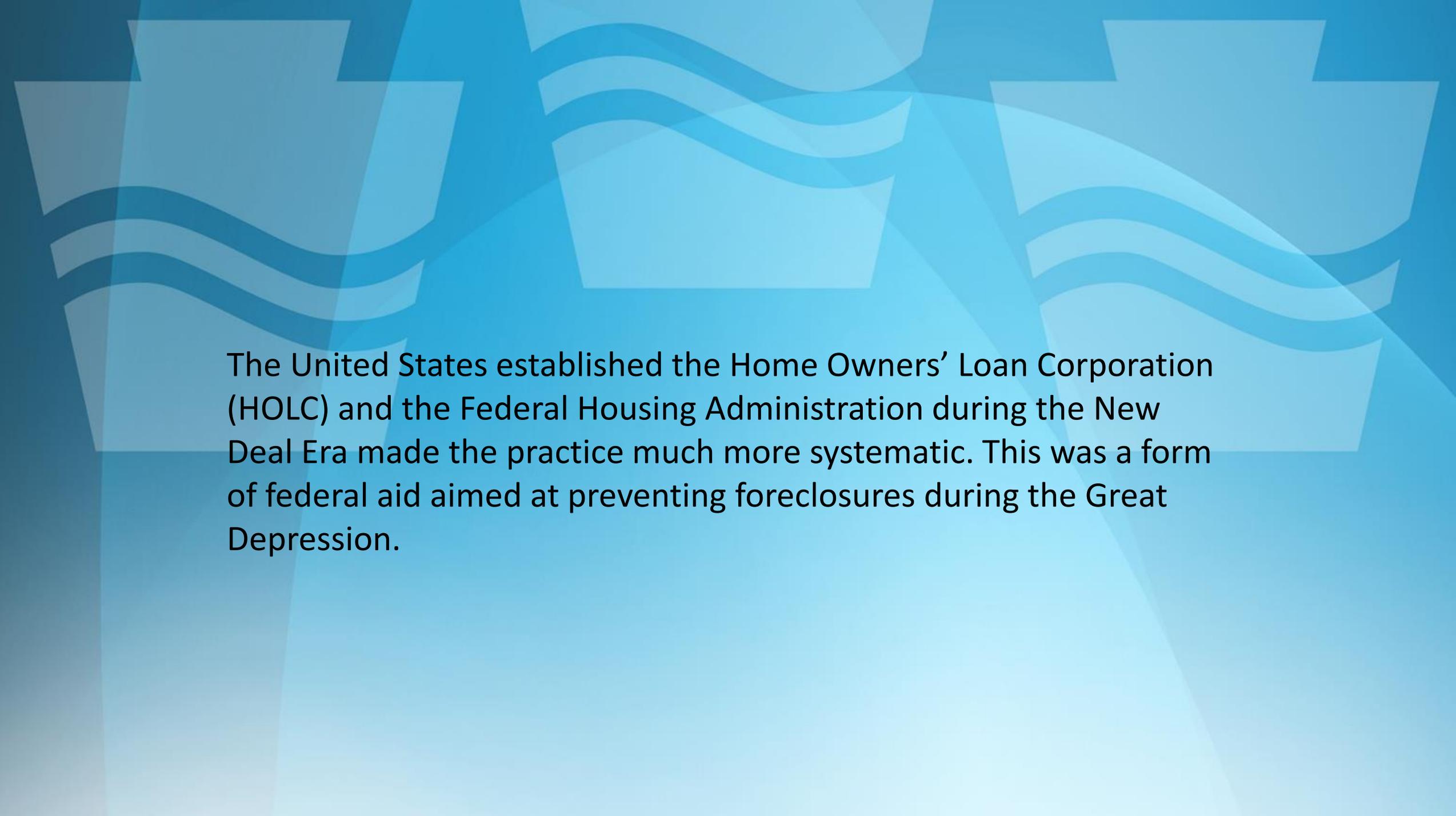
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What is Redlining?

The practice of marking maps by race to characterize the risks of lending money and providing insurance.

Yesterday & Today



The background is a solid light blue color with several overlapping, semi-transparent geometric shapes and wavy lines in various shades of blue, creating a layered, abstract effect.

The United States established the Home Owners' Loan Corporation (HOLC) and the Federal Housing Administration during the New Deal Era made the practice much more systematic. This was a form of federal aid aimed at preventing foreclosures during the Great Depression.

Green or A (“Best”): A “ethnically homogeneous” (read as white), U.S. born, upper- or middle-class neighborhood where “professional men” lived.

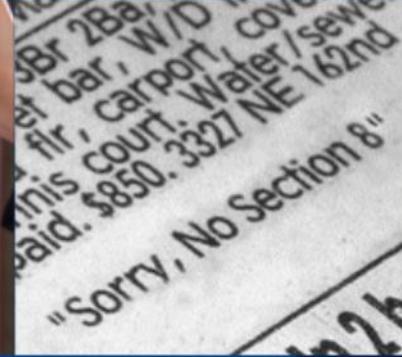
Blue or B (“Still Desirable”): Established, most or nearly all-white, U.S.-born neighborhood with a low chance of having an immigrant or person of color move in.

Yellow or C (“Definitely Declining”): Neighborhoods bordering Black neighborhoods where European immigrants and working-class people lived. These places were viewed as concerning as “undesirable populations” could join the community.

Red or D (“Hazardous”): Neighborhoods where Black, Mexican, Asian, Jewish, or other groups lived. These locations were often also in industrial areas with older buildings and infrastructure.



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PEOPLE IN OUR
COMMUNITY



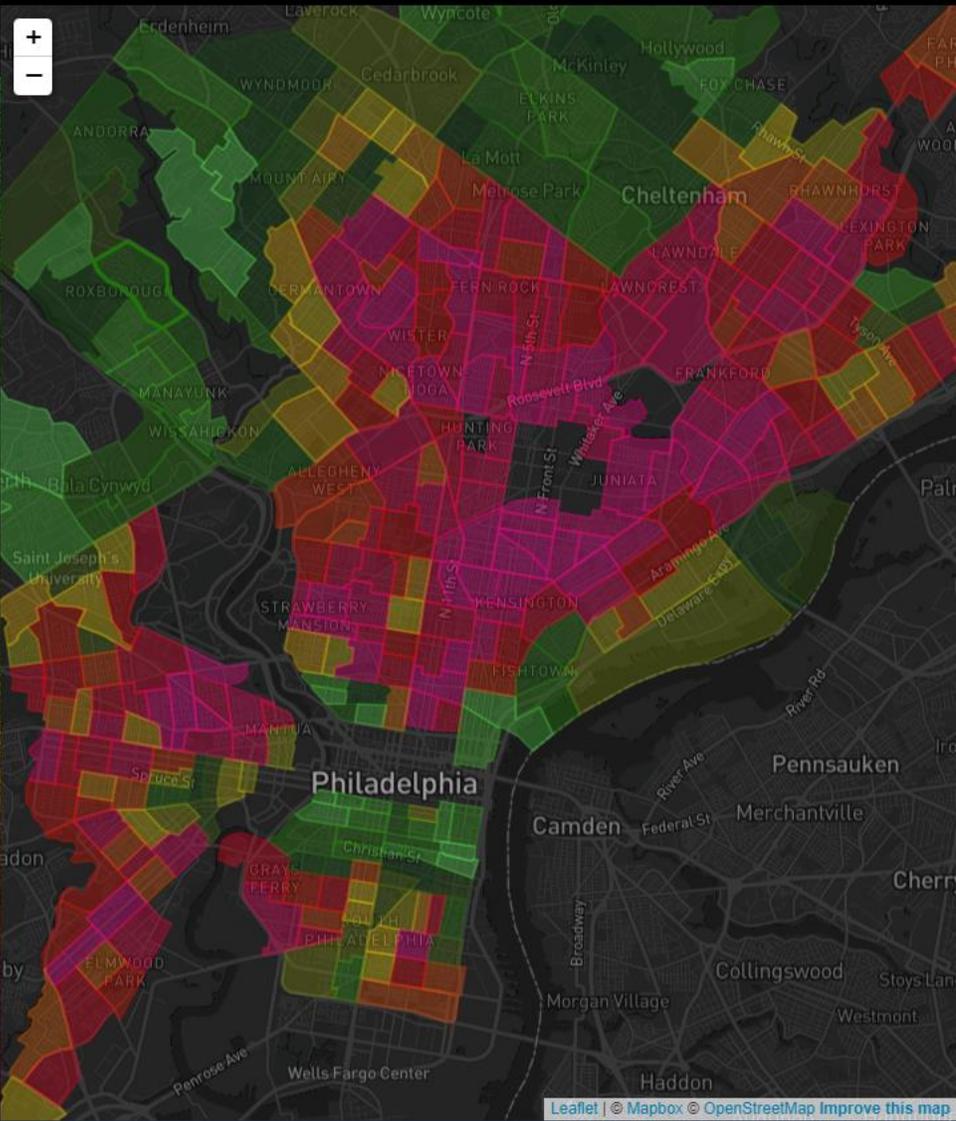
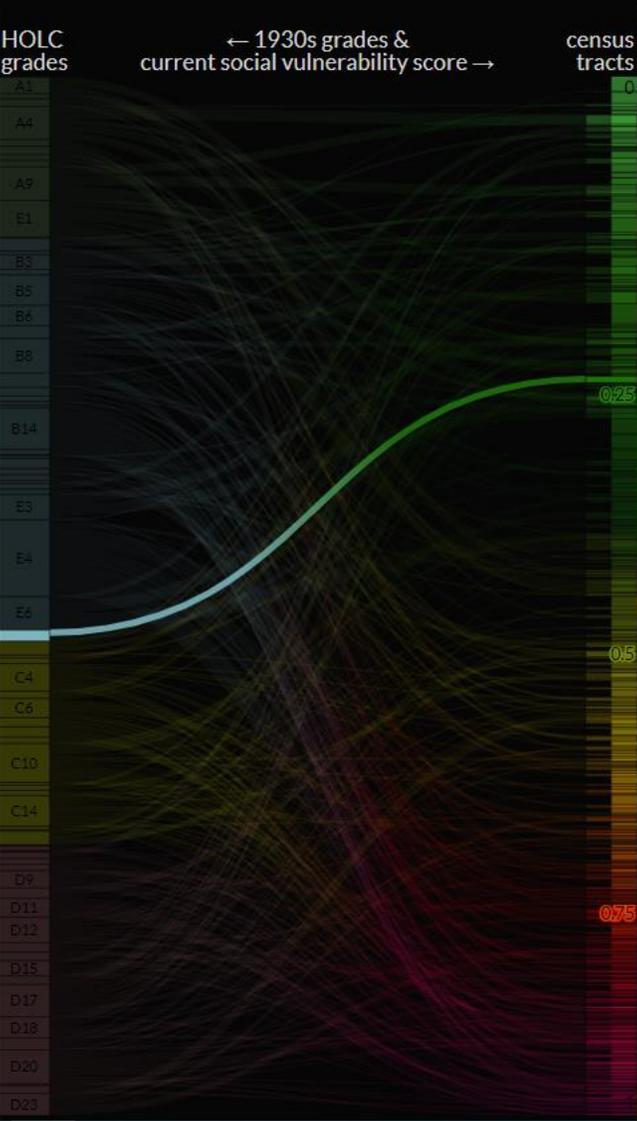
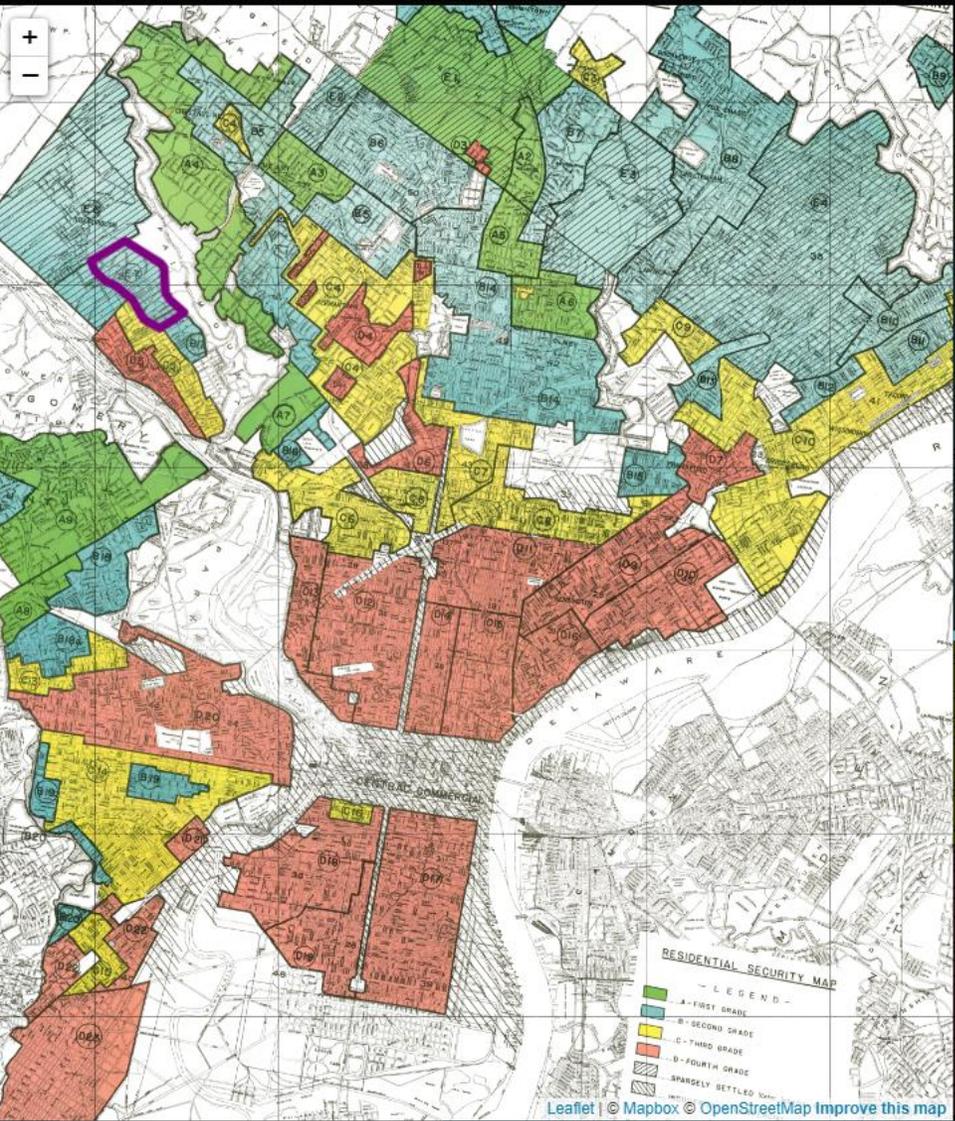
Redlining

Yesterday & Today

The Impact Today



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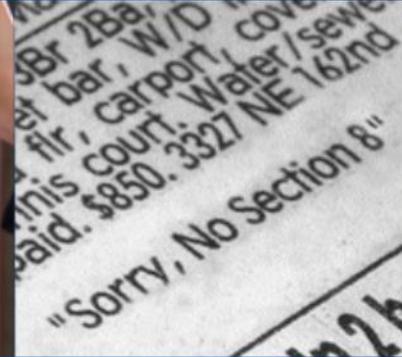
The Impact Today in Detail

- **Generational Wealth**
Redlined areas are associated with a long-term decline in homeownership, home values and credit scores among minorities, all of which continue today, (*Banrate.com, 2023*).
- **Education**
...effects of redlining include the exclusion of minority communities from key resources within urban areas, such as educational facilities...,” (*Bankrate.com, 2023*).
- **Health & Safety**
Formerly redlined areas tend to have older housing stock which were initially left to decay and through the years created environmental issues, affecting water and air quality.
- **Disinvestment**
Redlined communities suffered from lack of investment in housing, education, community development since the origins of Home Owners Loan Corporation (HOLC) in 1934.

Pennsylvania Fair Housing Month: April 2023



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Redlining

Yesterday & Today

Moving Forward



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Acknowledgement

First step in correcting AFFH deficiencies is acknowledging that many have a role to play in ensuring neighborhoods of diversity, inclusion, opportunity and choice.

- **HUD**
- **State Governments**
- **County Governments**
- **City Governments and any governmental entity receiving federal funding**
- **Housing Providers receiving federal funding (HCV, Mainstream, VASH, Section 811, etc.)**
- **Non-profit/for profit housing development entities (LIHTC)**
- **Lending institutions (Community Reinvestment Act)**
- **Federal Mortgage Providers and Lenders**
- **USDA fund Recipients**
- **Housing Counseling Agencies**

The State of Fair Housing in the Commonwealth of PA



April 2023

It's about fairness, it's about equality, it's about time.

Federal efforts to enforce the AFFH mandate have not made significant progress towards its goals, so Pennsylvania needs to take a leading role in ensuring that state, county, and municipal leaders actively work to break down barriers that prevent residents from achieving fair housing choice.

Impact on Protected Classes: While residents have protections from acts of discrimination, discriminatory housing policies have led to systemic housing inequalities, limiting the supply, availability, and distribution of housing resources, and keeping individuals in protected classes from accessing needed housing.

Recommendation: Explore legislation that provides additional accountability to state agencies, local and municipal government to ensure rules and policies with discriminatory effects are not deepening housing inequalities in Pennsylvania.

Effective state-wide code enforcement

Would allow individuals and families to live in safe, healthy housing, reducing housing instability and illness, and providing consistency for housing providers who do business in multiple municipalities.

Issue: According to the US Housing Survey, over 234,000 households in PA live in homes with significant health and safety issues, like holes in the roof, lack of functional plumbing, broken heat, and more. These housing conditions can cause serious air quality issues through mold and pest infestations, and long-term health consequences.

Impact on Protected Classes: It's typically people living in housing at the lower end of the housing market that are impacted by these conditions, and who often don't have the resources to move or hold their landlords accountable. We see this impacting individuals in protected classes at a higher rate than the general population.

Recommendation: Introduce amendment to the Landlord-Tenant Act of 1951 that would provide effective measures for code enforcement.

Source of Income Protection

would greatly expand opportunities within the Housing Choice Voucher program and other housing assistance programs, improving housing mobility and available housing for individuals in protected classes.

Issue: Many housing providers deny rental housing to people who have Housing Choice (Section 8) Vouchers. The Housing Choice Voucher program has been shown to increase housing stability for households with very low income and provide opportunities for households to move to areas of opportunity. Source of Income protections would keep housing providers from automatically denying someone rental housing, based on the type of income or housing assistance they receive.

Impact on Protected Classes: People with disabilities, older adults, single parent female head of households, and households of color are groups who primarily benefit from this program in Pennsylvania. Without having source of income protection, many households struggle to find a landlord who will accept their housing assistance and lose their housing assistance if they cannot find housing in time.

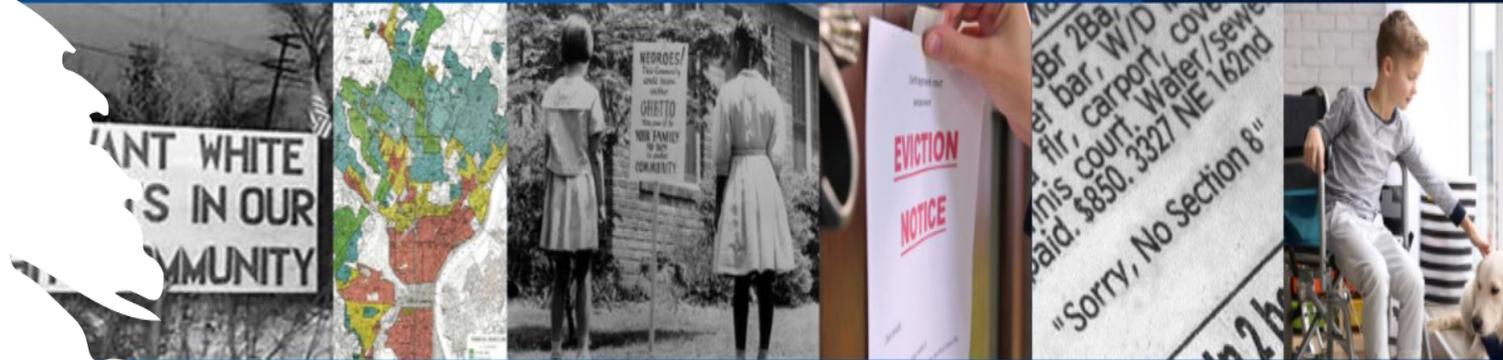
Recommendation: Introduce and/or support legislation to add Source of Income as a protected class in the Pennsylvania Human Relations Act.

Contact Us!

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